

**Consolidated Balance Sheet**

	March 31,	
	2006	2005
<b>Assets</b>		
Cash and due from banks	\$ 12,557,091	\$ 9,450,740
Short term investments	8,740,000	15,380,000
Investment securities available for sale	26,665,379	23,186,786
Investment securities (market value of \$6,730,384 in 2006 and \$7,497,065 in 2005)	6,704,754	7,382,703
Federal funds sold and other overnight investments	19,800,000	13,500,000
Loans	149,938,866	150,974,321
Less: Allowance for loan loss	(2,287,807)	(2,350,251)
Loans, Net	147,651,059	148,624,070
Bank premises and equipment, net	5,185,607	5,329,565
Bank owned life insurance	5,750,131	5,543,270
Accrued interest receivable and other assets	1,938,579	1,651,556
<b>Total Assets</b>	<b>\$ 234,992,599</b>	<b>\$ 230,048,690</b>
<b>Liabilities</b>		
Deposits		
Non-interest bearing	\$ 35,074,692	\$ 34,885,152
Interest bearing	165,883,148	161,526,054
<b>Total Deposits</b>	<b>200,957,840</b>	<b>196,411,206</b>
Accrued interest payable and other liabilities	798,547	462,123
Long-term borrowings	5,000,000	5,000,000
<b>Total Liabilities</b>	<b>\$ 206,756,388</b>	<b>\$ 201,873,329</b>
<b>Shareholders' Equity</b>		
Common stock - \$1 par value;		
Shares authorized: 3,000,000 in 2006 and 2005;		
issued and outstanding: 1,890,420 in 2006		
and 1,844,197 in 2005	\$ 1,890,420	\$ 1,844,197
Paid in capital	17,521,485	16,399,862
Retained earnings	9,228,073	10,216,569
Net unrealized gain/loss on securities available for sale, net of tax effect	(403,767)	(285,267)
<b>Total Shareholders' Equity</b>	<b>\$ 28,236,211</b>	<b>\$ 28,175,361</b>
<b>Total Liabilities and Shareholder's Equity</b>	<b>\$ 234,992,599</b>	<b>\$ 230,048,690</b>
<b>Book Value Per Share*</b>	<b>\$ 14.94</b>	<b>\$ 14.55</b>

**Consolidated Statement of Income**

	Three Months Ended	
	March 31,	
	2006	2005
<b>Interest Income</b>		
Loans, including fees	\$ 2,868,918	\$ 2,430,891
Securities		
Taxable	320,391	267,927
Non-Taxable	45,452	50,313
Federal funds sold and other overnight investments	165,940	46,013
Short term investments	107,684	98,853
<b>Total Interest Income</b>	<b>3,508,384</b>	<b>2,893,997</b>
<b>Interest Expense</b>		
Interest on other deposits	728,213	464,352
Interest on time deposits over \$100,000	201,991	132,580
Other interest expense	22,824	23,281
<b>Total Interest Expense</b>	<b>953,028</b>	<b>620,213</b>
Net Interest Income	2,555,356	2,273,784
<b>Provision for Loan Losses</b>	<b>50,000</b>	<b>25,000</b>
Net Interest Income after Provision for Loan Losses	2,505,356	2,248,784
<b>Other Income</b>		
Trust income	318,750	318,750
Service charges on deposit accounts	294,380	279,703
Gain on sale of mortgage loans	41,075	91,673
Other income	158,217	166,692
<b>Total Other Income</b>	<b>812,422</b>	<b>856,818</b>
<b>Other Expense</b>		
Salaries	936,125	904,201
Employee benefits	304,341	309,472
Occupancy and equipment expense	427,947	406,805
Other expense	378,770	344,429
<b>Total Other Expense</b>	<b>2,047,183</b>	<b>1,964,907</b>
<b>Income Before Income Taxes</b>	<b>1,270,596</b>	<b>1,140,696</b>
<b>Income Taxes</b>	<b>378,398</b>	<b>337,069</b>
<b>Net Income</b>	<b>\$ 892,198</b>	<b>\$ 803,627</b>
<b>Basic Earnings Per Share*</b>	<b>\$ 0.47</b>	<b>\$ 0.41</b>
<b>Diluted Earnings Per Share*</b>	<b>\$ 0.46</b>	<b>\$ 0.40</b>

\* Per share amounts have been restated to reflect a 5% stock dividend in May 2005.

Certain amounts in the prior year consolidated financial statements have been reclassified to conform with the current year presentation.